

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Application of Chisholm Energy, LLC.
to Amend order R-21682
Lea County, New Mexico

Case No. 22616
Case No. 22617

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, April 7, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, April 7, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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Albuquerque, New Mexico 87102
(505) 843-9241

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A P P E A R A N C E S

FOR CHISHOLM ENERGY, LLC:

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C O N T E N T S

CASE NOS. 22616, 22617	PAGE
CASE CALLED:	3
TAKEN UNDER ADVISEMENT:	6

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CHISHOLM ENERGY EXHIBITS	PAGE
A Affidavit of Luke Shelton	6
B Affidavit of Notice	6

1 (Time noted 10:51 p.m.)

2 EXAMINER BRANCARD: All right. We are finished
3 with Case 22615, and I believe we will move on then to
4 Case 22616, Chisholm Energy.

5 MR. FELDEWERT: Mr. Examiner, Michael Feldewert,
6 Santa Fe office of Holland & Hart appearing on behalf of
7 the applicants.

8 EXAMINER BRANCARD: There is another case.
9 22616 and -617?

10 MR. FELDEWERT: Yes, sir.

11 EXAMINER BRANCARD: All right. Are there any
12 other interested parties for Cases 22616 and -617?

13 Hearing none, Mr. Feldewert you may
14 proceed.

15 MR. FELDEWERT: Mr. Examiner, in these
16 consolidated cases Chisholm seeks to extend the drilling
17 deadline under two Pooling Orders that involve the Bone
18 Spring Formation under the west half of Section 34, 19
19 South, 33 East and the west half of Section 3 in 20 South,
20 33 East, in Lea County. Order R-21682 pooled the Bone
21 Spring under the west half of the west half of this
22 acreage and then R-21581 pooled the Bone Spring underlying
23 east half of the west half of this acreage, and they have
24 been dedicated to what are known as the Jade wells.

25 Our Exhibit A is the affidavit of Mr. Luke

1 Shelton. He testifies in his affidavit that the delays in
2 drilling were the result of delays in obtaining from the
3 BLM, Bureau of Land Management, the approvals to enlarge
4 the drilling pad necessary to commence drilling of these
5 wells. That approval from the BLM to enlarge that pad he
6 testifies has been recently received, and so they are now
7 in a position and he anticipates being able to commence
8 drilling within a year.

9 Exhibit B to our package is the Notice
10 Affidavit that went out for these two cases to the mineral
11 owners that remain subject to these Pooling Orders. They
12 have -- and the postal record that we've attached with the
13 affidavit reflects that they have received Notice of this
14 hearing and the request to extend the drilling deadline.

15 So we ask that Exhibits A and B be admitted
16 and the Division issue an Order extending the time to
17 commence drilling under these Orders until May 17, 2023.

18 EXAMINER BRANCARD: Mr. Garcia, any questions?

19 MR. GARCIA: What was the need to increase pads
20 size? Were wells added to this previous Hearing Order.

21 MR. FELDEWERT: Uh, good question. I don't have
22 an immediate answer. My guess is because they are now
23 intending to drill both wells under -- from the same pad
24 so they sought to enlarge it.

25 EXAMINER GARCIA: Okay. So consolidating

1 surface location?

2 MR. FELDEWERT: It all involved, I guess, an
3 increase in the footprint, so to speak, of the acreage
4 needed to commence drilling.

5 EXAMINER GARCIA: Yeah. I have no other
6 questions.

7 EXAMINER BRANCARD: Mr. Feldewert, did you
8 provide us with a list of interest owners?

9 MR. FELDEWERT: Mr. Examiner, it would be the
10 parties that received Notice. These are the interest
11 owners that remain subject to the Pooling Orders. The
12 last page.

13 EXAMINER BRANCARD: Your postal report is
14 doubling as a list of interest owners?

15 MR. FELDEWERT: It provides -- we indicate we've
16 given Notice to the parties that remain subject to the
17 Pooling Orders, yes, so they would be interest owners.

18 EXAMINER BRANCARD: We normally have a list of
19 interest owners, but here you just have a list of who you
20 gave Notice to.

21 MR. FELDEWERT: The list of interest owners
22 would remain the same. It would be in the record in the
23 prior cases.

24 EXAMINER BRANCARD: All right. Any other
25 questions, Mr. Garcia?

1 EXAMINER GARCIA: No further questions

2 EXAMINER BRANCARD: Any other persons interested
3 in Case 22616, -617? (Note: No response.)

4 Do you need any other information, Mr.
5 Garcia.

6 EXAMINER GARCIA: I don't think so. It was more
7 out of curiosity. As long as no wells were added I'm
8 okay.

9 EXAMINER BRANCARD: Okay. So we have Cases
10 22616 and 22617 will be taken under advisement. Thank
11 you.

12 MR. FELDEWERT: Thank you.

13 (Time noted 10:55 a.m.)

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1 STATE OF NEW MEXICO) .

2 : ss

3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, April 7,
8 2022, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18

19 /S/CCR/Mary Therese Macfarlane

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2022

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